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Report Highlights:

Japan produced 28,300 metric tons of fresh asparagus in 2005, in an area of 6,370 hectares. Cold spring weather delayed Japan's asparagus harvest in 2006, which is expected to cause reductions in the total output. Japan's white asparagus production is very small, but demand for fresh white asparagus is increasing in restaurants. California's heavy rainfalls in the spring of 2006 significantly reduced Japanese imports of U.S. asparagus. During the first four months of 2006, Japan imported only 365 metric tons from the United States. During most of the year, domestic asparagus prices were approximately 35% higher than import prices, but domestic prices became more competitive in the summer.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
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2005 Japanese Production of Fresh Asparagus was Down Slightly

Japanese asparagus production in 2005 was 28,300 metric tons, down approximately 3 percent from the previous year, according to the Ministry of Agriculture, Forestry and Fisheries (MAFF.) The Harvest area declined 110 hectares (approximately 2%) to 6,370 hectares, because of the aging farm population.

The major production region for asparagus is Nagano prefecture, approximately 80 miles north of Tokyo, which produces asparagus from January through September, with peak harvesting in May. The Nagano region, located in Japan's central plateau area, enjoys cool summers and produces approximately 18 percent of nation's asparagus. In Hokkaido, the northern most island of Japan, produces asparagus mainly in May and June, contributing approximately 17 percent of the nation's production.

The Nagasaki and Saga prefectures, located in southern Japan, also harvest asparagus in the summer months of July and August. These two prefectures produce approximately 20 percent of the nation's asparagus.

Cold Spring Temperatures Delayed Japan's Asparagus Harvesting in 2006

Nagano prefecture, the main asparagus producing region in Japan, experienced relatively cold temperatures in April 2006, which delayed the region's asparagus harvesting this season, according to Tokyo Ohta Market traders. The shipments from the Nagano region are expected to be somewhat reduced, but the quality is reportedly excellent, according to Tokyo traders. In April 2006, green asparagus from Nagano was sold at Tokyo supermarkets at the relatively high price of \$1.74 - \$2.26 (200 – 260 yen) for a bundle of 100 grams. In May, as Nagano crops reached their prime season and the new crops from Fukushima prefecture became available, Tokyo retailers sold asparagus for \$1.39 - \$1.74 (160 – 200 yen) per bundle of 100 grams. Tokyo traders commented that when Japan's summer asparagus becomes available in the market in July and August, asparagus prices are expected to be significantly lower.

* The exchange rate of 114.71 yen per dollar is used, based on the Nikkei News on June 16, 2006.

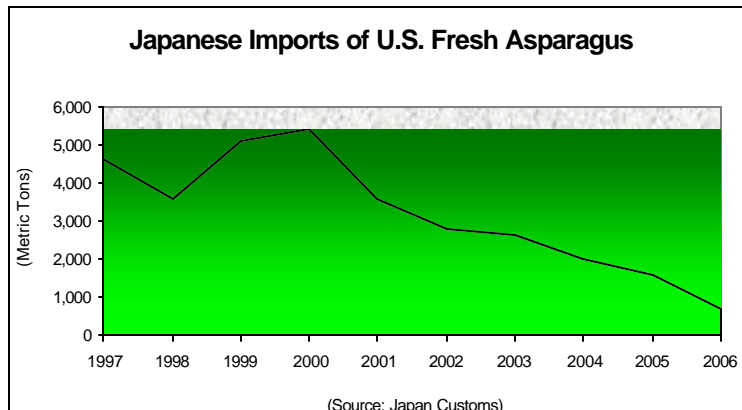
White Asparagus Production is Still Small, But Increasing

Japan's white asparagus production is very small, but lately it has been increasing, according to Tokyo traders. Traditionally, the Hokkaido region is the only place produced, and this was mainly for canning purposes. Today, white asparagus is largely consumed fresh and is produced not only in Hokkaido but also in other regions such as Nagano and Fukushima. Fresh white asparagus is trading at a 30 – 50 percent higher price than green asparagus.

Japanese Imports of Fresh U.S. Asparagus Declined Significantly in 2006

California had heavy rainfalls in the spring of 2006, which significantly reduced asparagus crops in the region, according to industry sources. From January to April of 2006, Japan imported only 365 metric tons of fresh asparagus from the United States, only 31 percent of the amount imported in the same period of 2005. Japanese imports of U.S. asparagus returned to normal in May with the recovering production in California but the total import

volume was still significantly less than the previous season. In early June, Japanese imports of U.S. asparagus switched from California sourced to Washington sourced products.



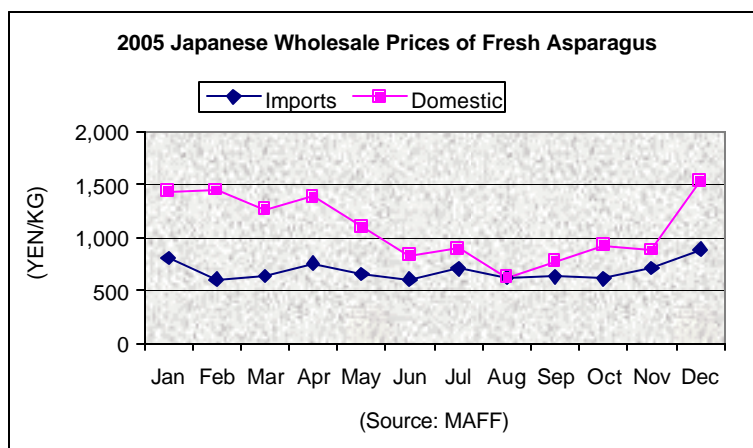
In average years, U.S. asparagus plays a major role in the Japanese market in April and May after Mexican asparagus sales end in March; however, this season's short crops in California made Japanese traders look for some alternate supplies in other countries such as the Philippines and Thailand to fill the gap until more domestic asparagus became available in mid May. The Philippines supplemented to the Japanese market with some

additional asparagus in April, but still Japan's total imports of fresh asparagus were significantly less than the level of the previous season. For the first four months of 2006 (January – April), Japan imported 6,579 metric tons of fresh asparagus from the world, down approximately 16 percent from the same period of the previous season.

In mid May 2006, California asparagus was trading at Tokyo Ohta Wholesale Market for \$74.09 (8,500 yen) per 13.6-kilogram carton, while asparagus from Thailand was trading at \$34.87 (4,000 yen) per 6-kilogram carton and asparagus from the Philippines at \$26.15 (3,000 yen) for a 6.5-kilogram carton. These are the prices that wholesale market jobbers sell to retailers.

In mid June 2006, Washington asparagus was trading at \$61.02 (7,000 yen) for a 13.6-kilogram carton, while asparagus from Thailand and the Philippines was trading at the same price levels as that May. Imported and domestic asparagus were both sold in 100-gram bundles. In mid June 2006, imported asparagus was rather scarce in Japan's retail stores compared to domestic asparagus and imported asparagus was sold at retail markets for between \$0.87 - \$1.30 (100 – 150 yen) per bundle of 100 grams.

2005 Wholesale Prices – Imports vs. Domestic



Fresh asparagus is available in the Japanese market year round. Domestic asparagus is largely sold in the spring and summer and imports are sold in the fall and winter. Domestic asparagus sells for significantly higher prices in the winter since Japanese production is in its off-season. Imports trade at similar prices through the year since Japanese traders procure fresh asparagus from various countries at their best growing seasons.

For example, traders bought

Mexican asparagus from January through March, U.S. asparagus from March through May

and Australian asparagus from September through December. Fresh asparagus from Thailand and the Philippines is imported year round.

The 2005 average wholesale price for imported asparagus was \$6.04 (693 yen) per kilogram, while the average price for domestic was \$8.18 (939 yen). Domestic asparagus prices were approximately 35 percent higher than imports, but when a great deal of domestic products became available in the summer, prices for domestic asparagus became fairly competitive with imports.

Wholesale Price Table - Imports vs. Domestic

Japanese Asparagus Wholesale Prices and Volume Traded In the Wholesale Market

2005	Wholesale Prices		2005	Volume Traded In the Wholesale Market	
	Imports	Domestic		Imports	Domestic
	(YEN)	(YEN)		(MT)	(MT)
January	804	1,438	January	627	196
February	607	1,445	February	1,023	275
March	634	1,262	March	1,150	1,040
April	756	1,384	April	809	1,734
May	657	1,100	May	544	3,074
June	607	832	June	240	4,188
July	706	896	July	224	2,739
August	623	627	August	149	3,143
September	629	774	September	388	1,924
October	610	926	October	1,130	483
November	714	881	November	1,155	27
December	889	1,535	December	898	38
2005 Average	693	939	2005 Total	8,341	18,895

(Source: MAFF)

2006 Import Duties

Import duties are not subject to further reductions outside of the next round of WTO negotiations. The applicable import duty for fresh asparagus is as follows:

Tariff Code (HS)	Description	Duty Rate
0709.20-000	Fresh Asparagus	3%

All duties are charged on a CIF basis.

The Positive List System Became Effective on May 29, 2006

On May 29, 2006 Japan implemented new regulations on maximum residue limits (MRLs) for agricultural chemicals. The MRLs of agricultural chemicals applied to asparagus products may be found in the following web site:

<http://www.m5.ws001.squarestart.ne.jp/foundation/search.html> (English)

Related information on the positive list system may be found in JA6011, JA6025 and JA6027.

PS&D Tables and Trade Matrices

Fresh Asparagus PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Asparagus, Fresh				(HA)(MT)	
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		01/2005		01/2006		01/2007
Area Planted	6520	6370	6560	6240	0	6120
Area Harvested	6520	6370	6560	6240	0	6120
TOTAL Production	29300	28300	29600	27500	0	27000
Imports, Fresh	17500	17468	17800	16800	0	17000
TOTAL SUPPLY	46800	45768	47400	44300	0	44000
Exports, Fresh	0	0	0	0	0	0
Domestic Fresh Market	46260	45228	46870	43770	0	43480
For Processing	540	540	530	530	0	520
TOTAL UTILIZATION	46800	45768	47400	44300	0	44000

Fresh Asparagus Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Asparagus, Fresh		
Time Period	Jan. - Dec.	Units:	Metric Tons
Imports for:	2005		2005
U.S.	2019	U.S.	1580
Others		Others	
Australia	4698	Thailand	3918
Thailand	3932	Australia	3828
Mexico	2642	Mexico	3545
Philippines	2392	Philippines	2999
New Zealand	704	New Zealand	623
Peru	403	Peru	575
China	283	China	327
France	49	France	50
Netherlands	10	Italy	10
		Netherlands	7
Total for Others	15113		15882
Others not Listed	16		6
Grand Total	17148		17468

Fresh Asparagus Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Asparagus, Fresh		
Prices in	Yen	per uom	KG
Year	2005	2006	% Change
Jan	955	1018	7%
Feb	785	897	14%
Mar	932	919	-1%
Apr	1184	1221	3%
May	1033		-100%
Jun	820		-100%
Jul	882		-100%
Aug	627		-100%
Sep	750		-100%
Oct	705		-100%
Nov	718		-100%
Dec	915		-100%
Exchange Rate	114.71	Local Currency/US \$	
Date of Quote	6/16/2006	MM/DD/YYYY	